

(b)(1) A faith-based organization that receives a subgrant or contract under a State-administered program of the Department must provide beneficiaries with the written notice required under paragraph (a) of this section prior to the time they enroll in or receive services from the organization.

(2) When the nature of the services provided or exigent circumstances make it impracticable to provide the written notice in advance of the actual services, the organization must advise beneficiaries of their protections at the earliest available opportunity.

(c) The notice that a faith-based organization must use to notify beneficiaries or prospective beneficiaries of their rights under paragraph (a) of this section is specified in appendix A to part 75.

(Authority: 20 U.S.C. 1221e-3 and 3474, E.O. 13559)

[Approved by the Office of Management and Budget under control number 1895-0001]

[81 FR 19409, Apr. 4, 2016]

**§ 76.713 Beneficiary protections: Referral requirements.**

(a) If a beneficiary or prospective beneficiary of a State-administered program of the Department supported in whole or in part by direct Federal financial assistance objects to the religious character of a faith-based organization that provides services under the program, that organization must promptly undertake reasonable efforts to identify and refer the beneficiary to an alternative provider to which the beneficiary or prospective beneficiary has no objection.

(b)(1) A faith-based organization may satisfy the requirement in paragraph (a) of this section by referring a beneficiary or prospective beneficiary to another faith-based organization if the beneficiary or prospective beneficiary does not object to that provider.

(2) If the beneficiary or prospective beneficiary requests a secular provider, and one is available, the faith-based organization must make a referral to that provider.

(c) The faith-based organization must make a referral to an alternative provider that—

(1) Is in reasonable geographic proximity to the location where the beneficiary or prospective beneficiary is receiving or would receive services (except for services provided by telephone, internet, or similar means);

(2) Offers services that are similar in substance and quality to those offered by the organization; and

(3) Has the capacity to accept additional beneficiaries.

(d)(1) When a faith-based organization makes a referral to an alternative provider, the organization must maintain a record of the referral in its grant records, including the date of the referral, the name of the alternative provider, its address, and contact information for the alternative provider.

(2) When the organization determines that it is unable to identify an alternative provider, the organization must promptly notify the State or subgrantee that made the award under which the referral could not be made. If the organization is unable to identify an alternative provider, the State agency or subgrantee that made the award under which the referral could not be made must determine whether there is any other suitable alternative provider to which the beneficiary or prospective beneficiary may be referred. If the entity that made the award under which the referral could not be made cannot make a referral, that entity must promptly notify the grantee or the Department, as appropriate, and the grantee or the Department must determine whether a suitable referral can be made.

(Authority: 20 U.S.C. 1221e-3 and 3474, E.O. 13559)

[Approved by the Office of Management and Budget under control number 1895-0001]

[81 FR 19409, Apr. 4, 2016]

**§ 76.714 Subgrants, contracts, and other agreements with faith-based organizations.**

If a grantee under a State-administered program of the Department has the authority under the grant or subgrant to select a private organization to provide services supported by direct Federal financial assistance under the program by subgrant, contract, or other agreement, the grantee

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must ensure compliance with applicable Federal requirements governing contracts, grants, and other agreements with faith-based organizations, including, as applicable, §§ 76.52, 76.532, and 76.712–76.713 and 2 CFR 3474.15. If the intermediary (pass-through) is a nongovernmental organization, it retains all other rights of a nongovernmental organization under the program's statutory and regulatory provisions.

(Authority: 20 U.S.C. 1221e–3 and 3474, E.O. 13559)

[81 FR 19409, Apr. 4, 2016]

### REPORTS

#### § 76.720 State reporting requirements.

(a) This section applies to a State's reports required under 2 CFR 200.327 (Financial reporting) and 2 CFR 200.328 (Monitoring and reporting program performance), and other reports required by the Secretary and approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995, 44 U.S.C. 3501–3520.

(b) A State must submit these reports annually unless—

(1) The Secretary allows less frequent reporting; or

(2) The Secretary requires a State to report more frequently than annually, including reporting under 2 CFR 3474.10 and 2 CFR 200.207 (Specific conditions) and 2 CFR 3474.10 (Clarification regarding 2 CFR 200.207) or 2 CFR 200.302 Financial management and 200.303 Internal controls.

(c)(1) A State must submit these reports in the manner prescribed by the Secretary, including submitting any of these reports electronically and at the quality level specified in the data collection instrument.

(2) Failure by a State to submit reports in accordance with paragraph (c)(1) of this section constitutes a failure, under section 454 of the General Education Provisions Act, 20 U.S.C. 1234c, to comply substantially with a requirement of law applicable to the funds made available under that program.

(3) For reports that the Secretary requires to be submitted in an electronic manner, the Secretary may establish a transition period of up to two years fol-

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lowing the date the State otherwise would be required to report the data in the electronic manner, during which time a State will not be required to comply with that specific electronic submission requirement, if the State submits to the Secretary—

(i) Evidence satisfactory to the Secretary that the State will not be able to comply with the electronic submission requirement specified by the Secretary in the data collection instrument on the first date the State otherwise would be required to report the data electronically;

(ii) Information requested in the report through an alternative means that is acceptable to the Secretary, such as through an alternative electronic means; and

(iii) A plan for submitting the reports in the required electronic manner and at the level of quality specified in the data collection instrument no later than the date two years after the first date the State otherwise would be required to report the data in the electronic manner prescribed by the Secretary.

(Authority: 20 U.S.C. 1221e–3, 1231a, and 3474)

[72 FR 3702, Jan. 25, 2007, as amended at 79 FR 76094, Dec. 19, 2014]

#### § 76.722 Subgrantee reporting requirements.

A State may require a subgrantee to submit reports in a manner and format that assists the State in complying with the requirements under 34 CFR 76.720 and in carrying out other responsibilities under the program.

(Authority: 20 U.S.C. 1221e–3, 1231a, and 3474)

[72 FR 3703, Jan. 25, 2007]

### RECORDS

#### § 76.730 Records related to grant funds.

A State and a subgrantee shall keep records that fully show:

(a) The amount of funds under the grant or subgrant;

(b) How the State or subgrantee uses the funds;

(c) The total cost of the project;

(d) The share of that cost provided from other sources; and